

Fundamentals

by Robert Jawitz

The key to a resilient economy is for a family to reduce housing obligations, reduce dependence on commercial food production, and to reduce childcare costs. Those three items alone can reduce the income requirements of the family by ½. Other costly items are eldercare and healthcare. In fact, elderly often must sell their homes in order to afford expensive nursing care either in an assisted living facility, nursing home or with home health care. Healthcare is the fastest growing cost in the family budget now following housing, childcare, food and taxes in that order.

Before the industrial revolution made us an urban society, most families in Europe and the US addressed the above needs via the family farm. Typically, generations lived together and the house and the farm were transferred from an older generation to another. Living together in a farm without a mortgage addressed the burden of housing costs. Living on a farm made home food production a natural and having the generations supporting each other had a built-in mechanism for childcare and eldercare. Medicine was not so sophisticated in those days and so the costs were not so high.

RMI is not recommending that we return to the family farm, but it recommends reviving some attributes of that living structure to make the economy more resilient. Those attributes are achieving a mortgage-free house, keeping the house for future generations, growing food, sharing childcare and eldercare duties and simplifying healthcare. The major attribute to revive is the concept of the multigenerational family as the basic organizing unit.

Life on the family farm was hard and that is why the industrial alternative was attractive enough to leave it. However, today the post-industrial economy has other ways for us to make an income other than selling a crop and has available labor saving devices to make work and food production easier. Our post-

industrial economy doesn't tie us to an urban center and frees us to make new organizing structures wherever we want.

The basic structure we propose is a place that has two houses and an attached cottage to one. In them four generations can co-exist. One house, the main house, is the residence of the middle aged generation (say age 50), the attached cottage is for the elder generation (say age 75), the other house is for the young generation (say age 25) who is responsible for the children (say 2 in this model). The elder generation is basically independent (as all elderly wish to be) but gets primary support from the middle-aged generation. The young generation is also basically independent but gets support from both the middle aged generation and the elder generation for both financial as well as with childcare help. The structure would include gardens as well as facilities for making a living (shops, studios, offices). Here, all the generations support each other and learn from each other. Our model also includes a family burial ground so that generations that are gone can be remembered by those that remain. Thus, the structure acts like a generational pump. When the elderly die (say at 100 with our improved healthcare), the middle aged couple (now elderly) move into the cottage, the younger couple (now 50) move into the main house and assume the duties of the middle aged couple and one child (now 25) takes the young couple's house and raises children. The other child would leave and join another household as the remaining child takes a spouse also from an outside household. Thus, the entire structure is in equilibrium and can be maintained for many generations.

Here's how we get there. A young couple (say both 25) buy a house (with a 25 year mortgage). They have two children. In 25 years, they are now 50, their mortgage is paid off, but they still have incomes and they start building the small cottage for their retirement. The two children (now about 25) want to move out. One joins another family and moves away while the other brings a spouse in and builds the 2nd house on the property with a 25 year mortgage. Now they have two children. By the time their children are ready to

have a household (25 years or so), the generational pump can continue, all the mortgages are paid for and the family finances are now secure. With this model, the family must suffer through two generations with the stress of the money economy and the requirement to make the mortgage payments (but they can reduce childcare costs, food costs, eldercare costs and have the benefit of mutual support and education). But the future has a goal and the goal is a resilient economy and a fulfilling work life.